

**NORTH CAROLINA EDUCATION LOTTERY
COMMISSION MEETING**

December 19, 2006

Teleconference

Meeting Minutes

Commissioners in Attendance: John McArthur, Chair
Robert Farris
Bridget-Anne Hampden
Max Cogburn
Robert Appleton
Dr. James Woodward
Edwin Speas
Linda Carlisle

Commissioner not in Attendance: Secretary Bryan Beatty

Participating NCEL Staff: Tom Shaheen
Carla Archie
Robin Diehl
Deb Doty
Tony Chung

The teleconference Meeting was held on Tuesday, December 19, 2006 at 1:00 p.m. The public was invited to listen to the meeting by dialing 866-899-5399 and entering room number *2686635*.

I. Introduction and Opening

- Chairman McArthur called the meeting to order by reiterating the Commission's firm commitment to serving the people of North Carolina, by providing funds for education which should truly be additive and supplemental.

II. Approval of Minutes

- Commissioner Appleton moved to adopt the minutes as presented.
- Commissioner Hampden seconded the motion.
- The minutes were adopted.

Computer Network Intent to Bid

- Tom Shaheen, Executive Director, noted that an evaluation committee had reviewed the Intent to Bid (ITB) and had made their recommendation to him. He stated that he concurred with their recommendation. Mr. Shaheen introduced Deb Doty, Deputy

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- Executive Director, MIS and Gaming Systems to explain the evaluation process and the recommendation to the Commission.
- Ms. Doty informed the Commission that only one bid was received from Bell South. She stated that the committee recommends Bell South be awarded the bid. The total cost including maintenance for three years will be \$324,723.90. Ms. Doty noted that an annual savings of \$200,000.00 will be realized after 19 months.
 - Commissioner Hampden moved to accept the recommendation as presented.
 - Commissioner Appleton seconded the motion.
 - The motion was carried and the recommendation accepted.

III. Financial Audit

- Commissioner Appleton notified the Commission that KPMG had completed the outside Financial Audit and had provided the NCEL an unqualified opinion. He stated that the Audit Committee has accepted the report and recommend acceptance by the full Commission.
- Robin Diehl, Deputy Executive Director of Finance and Administration, highlighted the audit for the Commission.
- Commissioner Carlisle made the motion to accept the audit for the 06 fiscal year.
- Commissioner Cogburn seconded the motion.
- The motion carried.

IV. Ethics Update

- Alice Garland, Deputy Executive Director, Legislative and Corporate Communications, notified the Commission that the NCEL believes the Commissioners will be considered covered persons under the new Ethics law. She stated that each member will need to complete a form that will become a Statement of Economic Interest. Ms. Garland will update the Commissioners as information on the form and training is available.

The meeting was adjourned.